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***Our first care is your health care***

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

**DATE:** July 16, 2003

**TO:** All Health Plans and Program Contractors

**FROM:** Jim Wang, Assistant Director, Information Services Division

**SUBJECT:** HIPAA Encounter Implementation

During the last HIPAA Consortium meeting, we discussed the potential for a delay of the HIPAA Encounter implementation. The reasons for the delay in implementation are that our resources are stretched to their limits and this would allow us all to focus on the implementation of the other core transactions: rosters, capitation, claims, and eligibility verification. During the discussion, most Health Plans were in favor of the delay. After discussion with all Health Plans that expressed concerns, we are delaying the HIPAA Encounter implementation until the January 2004 Encounter cycle.

The new implementation date for Encounters has been part of our contingency planning and will now be incorporated as part of our implementation plan. We have also communicated our intentions with the Centers for Medicare & Medicare Services.

Again, we will continue to implement all other transactions as scheduled. We will discuss the specific implementation timeline of Encounters with all of you via the HIPAA Consortium meetings.

***If this delay should cause operational impact to your organization, you will not be penalized by AHCCCS for encounter processing timeliness due to this implementation delay.***

If you should have any questions or concerns, please feel free to contact Lori Petre at (602) 417-4547.

cc: Kari Price  
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HIPAA Team